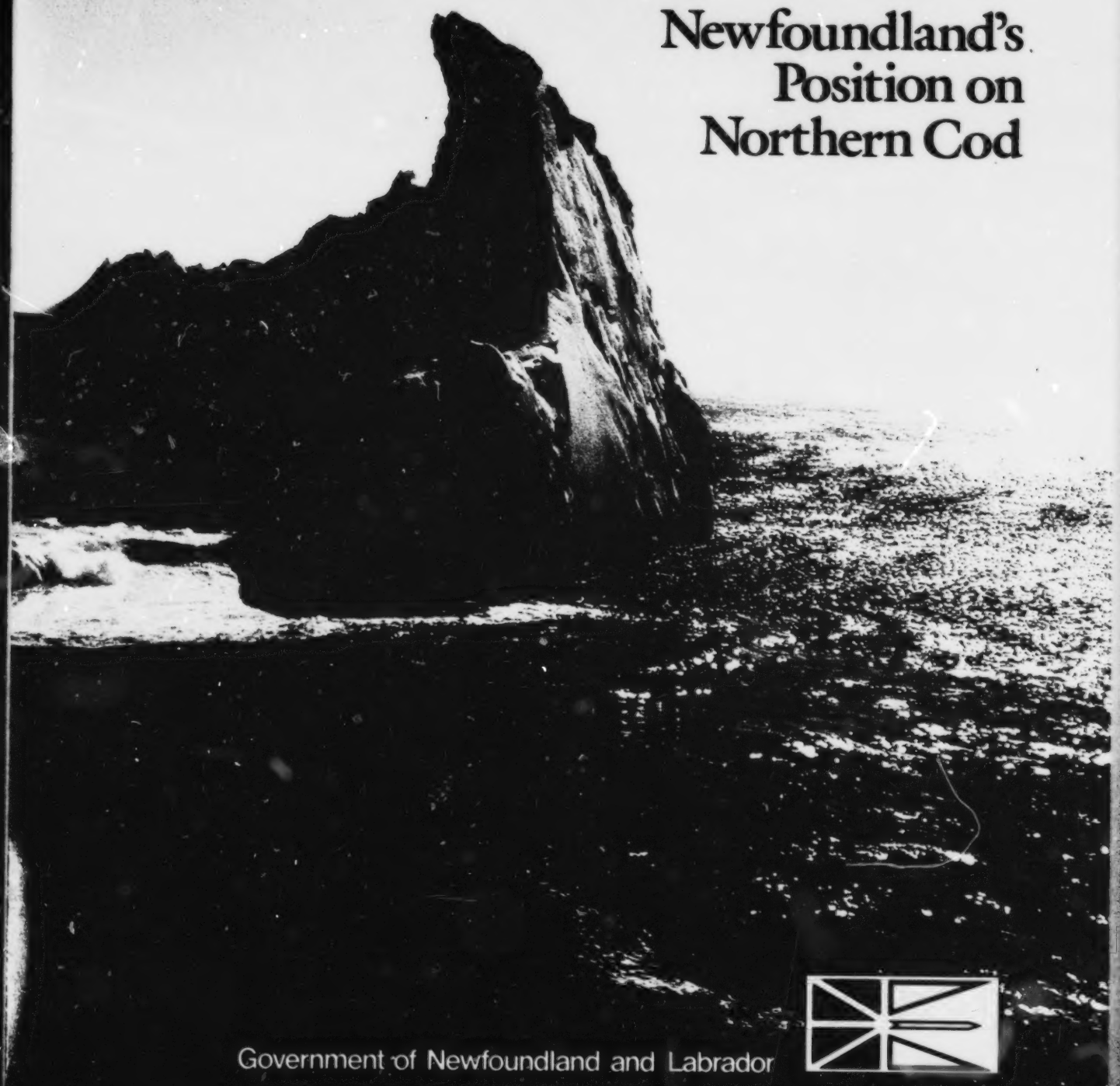
STRENGTH FROM THE SEA:

Newfoundland's Position on Northern Cod



Government of Newfoundland and Labrador

Foreword

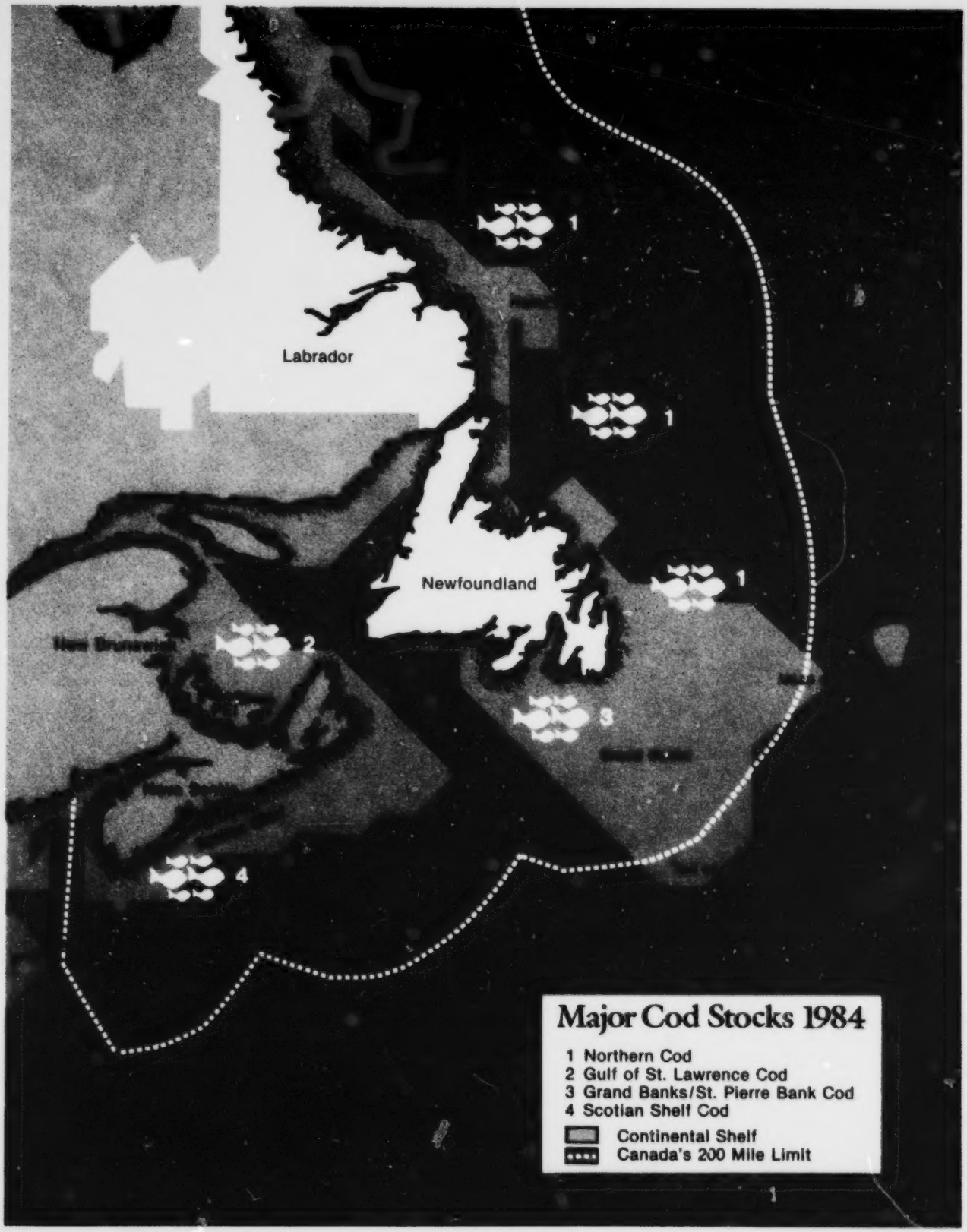
On Newfoundland's eastern continental shelf, one of the world's richest marine resources thrives in cold Atlantic waters. The Northern Cod stock is confined to a long, narrow geographic area, extending 1000 miles along the north and east coasts of Newfoundland and Labrador. For four centuries it has been the basis of settlement and continued development of the greater part of our province. Today it remains our economy's most important resource and the foundation of our fishing industry.

With Newfoundland's entry into Confederation in 1949, and since the 1977 extension of our 200-mile fishing zone, Northern Cod is now a Canadian resource. We would like all Canadians to understand the importance of Northern Cod to the fishing industry and the national economy.

This publication is intended to outline the special role of Northern Cod in the Newfoundland economy and society. It is my sincere wish that Canadians will see Northern Cod as a natural strength, a heritage to be protected and a renewable source of jobs and income for generations of Canadians to come.

A. Brian Peckford

Hon. A. Brian Peckford, P.C., M.H.A.
Premier
Government of Newfoundland and Labrador


Labrador
Newfoundland
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4
Major Cod Stocks 1984
1 Northern Cod
2 Gulf of St. Lawrence Cod
3 Grand Banks/St. Pierre Bank Cod
4 Scotian Shelf Cod
Continental Shelf
Canada's 200 Mile Limit

What Is Northern Cod?

Northern Cod is the most abundant and most valuable groundfish stock in the Northwest Atlantic Ocean. There are over 40 other groundfish stocks in Canada's Atlantic fishery. Cod, turbot, redfish *(or ocean perch),* haddock, pollock and flounder are the main species and they all have the same characteristic: they feed near the bottom in the more shallow waters of the submerged plateaus or "banks" of our Continental Shelf.

The map shows the major cod stocks which provide essential raw material for the boats and fish plants in the adjacent coastal communities. These are: Scotian Shelf cod, Gulf of St. Lawrence cod, Grand Banks cod, and, of course, Northern Cod.

Fish are by nature a moving resource. Tuna, salmon and mackerel can range thousands of miles over the ocean in their seasonal and life cycles. Groundfish, such as cod, swim too, but within a much more limited area. Cod live within well-defined geographic areas, in well-defined stocks. On this basis, scientists can manage each stock separately. Fishermen know this too, of course. They know that cod are on the same grounds every year. Northern Cod is thus distinct from the Scotian Shelf cod stock, which in turn is distinct from the Gulf of St. Lawrence cod stock, and so on.

Northern Cod are found in a confined area next to the north and east coasts of Newfoundland and Labrador. **These fish do not migrate to any other areas of Canada's Atlantic coast.**

As Shakespeare would have it, Northern Cod has "a local habitation and a name". For this reason, it has been fished over the centuries from the inlets of the north and east coasts of Newfoundland and Labrador. No other part of Newfoundland, and no other region of our Atlantic Coast, has developed an historic dependency on this resource.

Today, the Northern Cod stock has a total living volume of almost 2 million tons. This has allowed, in recent years, an annual harvest of over 250,000 tons. It is fished from small vessels, run by independent fishermen based in hundreds of communities from St. Mary's Bay, in southeastern Newfoundland, to Nain in Labrador. This inshore fishery takes advantage of the annual summer migration of Northern Cod to inshore waters. A second type of fishery, developed only in recent years, is undertaken from much larger vessels, known as trawlers, owned and operated by large fish processing companies, to take advantage of the winter concentration of Northern Cod.

Northern Cod represents almost one-half of the total Canadian cod catch, and is easier and more profitable to catch than most other groundfish stocks. For this reason there has been a controversy in Canadian fisheries policy about who gets access to Northern Cod. In order to understand the position of the Province of Newfoundland on this issue, it is important to know the place of Northern Cod in our history.

> ***Many of the problems of the Newfoundland fishery, and through it the province's economy, and society, have their roots in the deterioration of the resource base through overfishing or at least the excessive competition which Newfoundland fishermen must face for the available stocks.***
>
> ***David Alexander, The Decay of Trade; An Economic History of the Newfoundland Saltfish Trade, 1935-1965 (1977).***

Northern Cod In History

The history of Newfoundland is essentially the history of its fishery. The English and Irish immigrants who settled Newfoundland derived a livelihood solely from the fishery. Most of these people settled along the northeast coast of the Island of Newfoundland, and on the coast of Labrador. Here, from the beginning, they were totally dependent on the annual shoreward migration of Northern Cod.

Their dependence had, by the 1900s, created a society, an economy and a political community based on cod. The Newfoundland economy has diversified over the years, but **Northern Cod is still as central to the Newfoundland soul as the wheat fields are to Saskatchewan, or the forests and salmon are to British Columbia.**

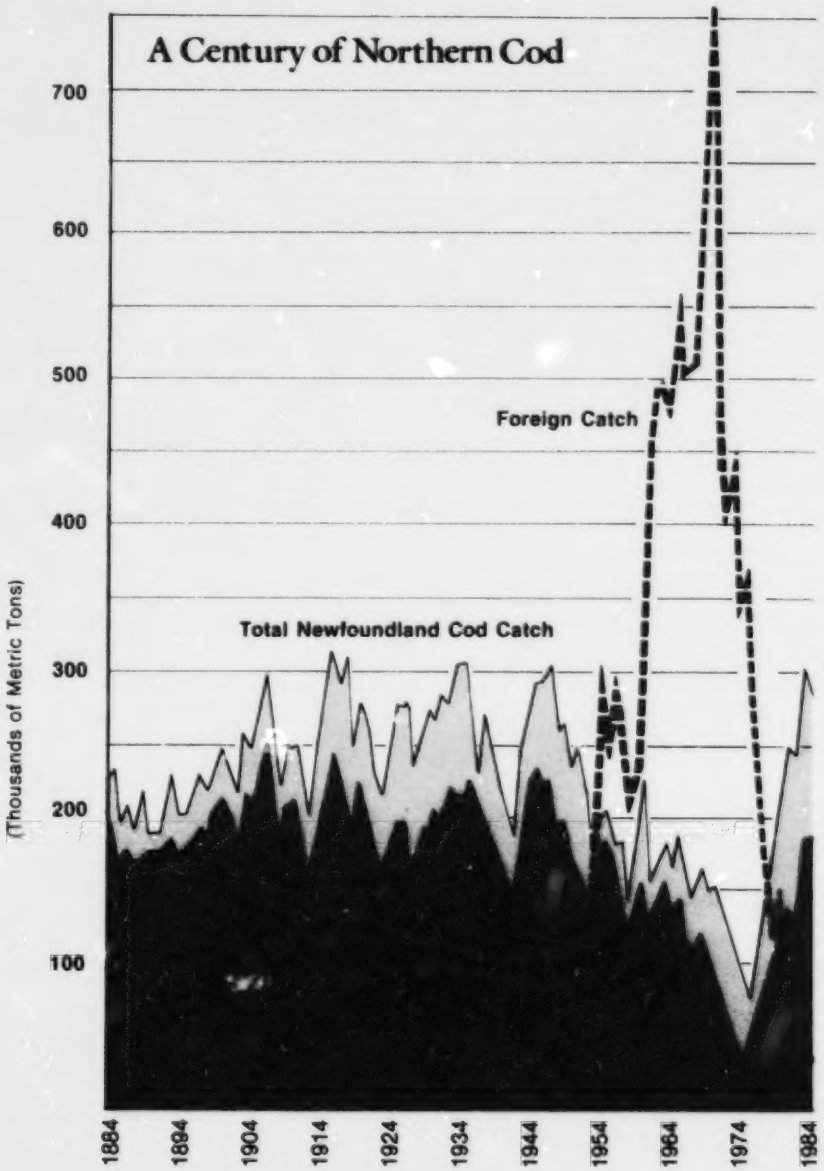
For the past century enormous Northern Cod landings have dominated the Newfoundland fishery, in some years peaking at over 300,000 tons. From 1884 to 1984, Northern Cod has been the main source of the rich harvests Newfoundlanders have drawn from the seas.

This special dependence on Northern Cod has been a recurrent theme in our history.

> ***This is not a new stock recently discovered but the stock that has provided the basis for a large inshore cod fishery along southern Labrador and the east coast of Newfoundland. It has been fished for over three centuries and has been the main determinant of settlement patterns along the coast. It has been and continues to be the principal economic base for all the communities along the coast.***
>
> ***From Toward a Policy for the Utilization of Northern Cod, A Discussion Paper, Department of Fisheries and Oceans, September 28, 1977***

For almost a century before Confederation with Canada, Northern Cod was exclusively fished from Newfoundland. Indeed, until foreign vessels began plundering this resource in the 1950s, virtually the entire catch of Northern Cod was taken by Newfoundland fishermen.

This historic dependency, based on centuries of fishing, establishes for the adjacent coasts of Newfoundland and Labrador a compelling and prior claim on the present and future benefits of Northern Cod. This claim has been nurtured by the very evolution of our settlement pattern, much the same as other regions of Atlantic Canada have developed an historic exploitation of the fish stocks in their adjacent waters.



The Rise and Decline of the International Fishery

Until the 1950s, Northern Cod was a steady source of livelihood for the majority of Newfoundland fishermen. In the 1950s, foreign factory freezer trawlers came to fish Northern Cod for the first time, with devastating results. These large vessels are capable of harvesting and processing great quantities of fish. International "distant water fleets" of these vessels were built in the post-war years by many countries. The new fleets were able to plunder fishery resources world-wide.

Beginning in the mid 1950s, and not ending until the extension of Canada's 200 mile limit in 1977, foreign fleets of factory freezer trawlers undertook an unprecedented harvest of Northern Cod. Other species were also overexploited, and some have never recovered. But none had the impact on the Canadian fishery as the run on the Northern Cod.

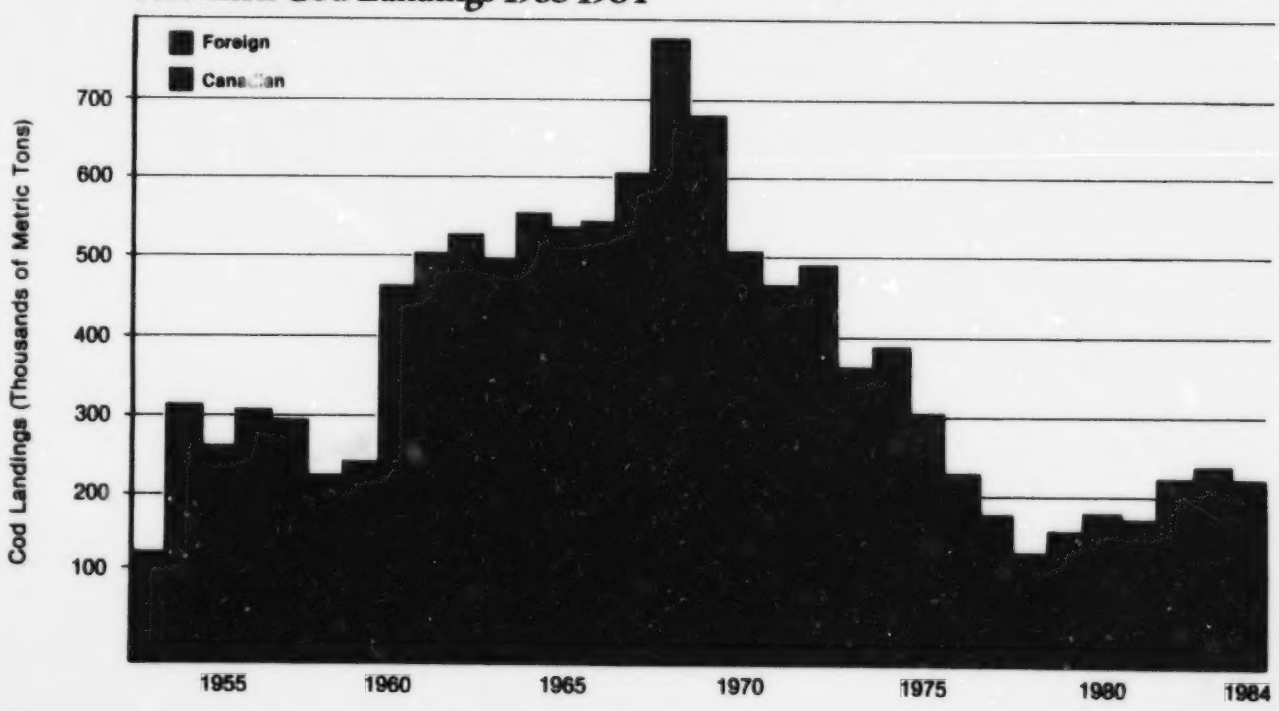
Overfishing by the international fleets offshore severely damaged the inshore migration patterns. Where in 1959 Newfoundland inshore fishermen caught 160,000 tons of Northern Cod, by 1974 this catch had fallen to only 34,000 tons. **The effect on Newfoundland communities was devastating; some were deserted and hundreds of communities have not yet recovered from the pillage of the Northern Cod.**

Canada, like many other countries whose coastal fisheries suffered from international overfishing, argued at the Law of the Sea Conferences for extended national jurisdiction over our neighbouring fishing grounds. Thus Canada, as did other nations, enforced its 200 mile limit in 1977. This did not cover all the grounds on Canada's unusually large eastern continental shelf, with continuing consequences for today's fishery. It did end the downward spiral for Northern Cod, though, and allowed Canadians to start rebuilding their fishery resources.

Just after 1950 a small trickle of foreign exploitation began; by the end of the decade it had become established as a steady stream; this trickle turned into a deluge by the late 1960s. In the 10 years between 1970-1980, the full efforts of Canada and Newfoundland were needed to halt this avalanche. Only then could we begin the task of restoring a semblance of order to the cod resource on which the fishermen of the region had depended for a livelihood for the previous 300 years.

Navies, It Were Well To Live Mainly Off Fish: Place of Northern Cod in Newfoundland's Development, 1981.

Northern Cod Landings 1953-1984



Rebuilding Northern Cod... A Success Story?

Canada faced a special challenge when, in 1977, we extended national fisheries jurisdiction to 200 miles. Could we succeed at preventing overfishing where international organizations had failed? The answer is mainly yes. Many of our groundfish stocks have been restored to their former health. Yet some stocks have been fished by Canadians at levels which exceeded the scientific advice.

Rebuilding Northern Cod has been mostly successful. The "Total Allowable Catch" set by Canada's fisheries scientists has grown steadily from 160,000 tons in 1977 to 266,000 tons in 1985. Even more important, the Canadian fishing industry has kept within its quotas. Discipline has been imposed and a rebuilding effort sustained. This has allowed the stock to rebuild gradually and has restored its stability. The Government of Newfoundland and Labrador has whole-heartedly supported the conservation approach to Northern Cod, and has advocated this for all our fishery resources. **Our Province paid dearly the price of past overfishing. We cannot afford to see it repeated.**

Northern Cod is recovering. It should be noted, however, that it has not come back as fast as once was thought. The federal government's 1982 projections foresaw an annual Total Allowable Catch by 1987 of 400,000 tons, based on the best scientific advice then available. Now fisheries scientists predict more modest growth, to perhaps 305,000 tons by 1988.

Unfortunately, the appetites of the Canadian fishing industry exceed the reduced stock projections. **There are ever-increasing pressures, especially from fleets based in the Maritime Provinces and Quebec, which have never depended on this stock, to gain greater access to Northern Cod, as their own fish stocks do not grow, or are even decreased. This increased access can only be achieved at Newfoundland's expense. The present Newfoundland catch is still far below historic catch levels and the needs of our industry.**

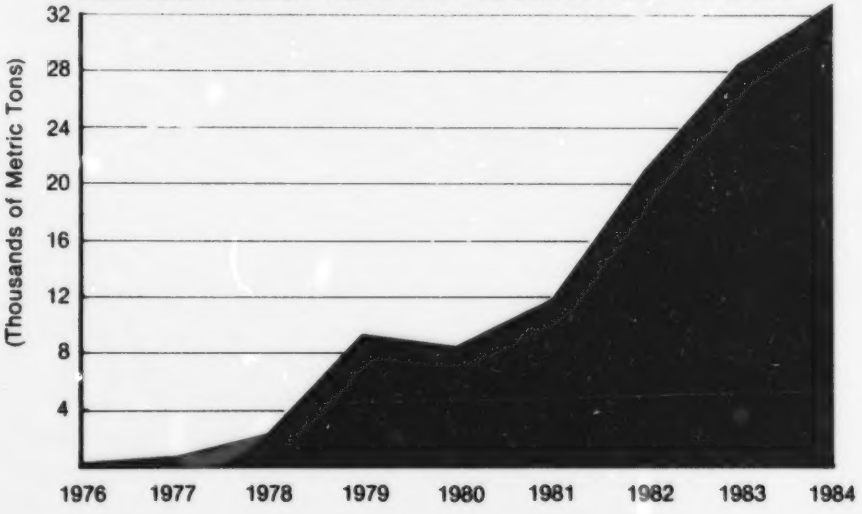
The Government of Canada, as the manager of the resource, must resist these pressures. It must also resist pressures on this stock from outside our country. Since 1977, Canada has continued to allocate large quantities of Northern Cod to foreign fleets. Both Government and industry in Newfoundland have always opposed such allocations.

Foreign vessels often exceed their legal allocations within our 200 mile zone and take even more outside. Northern Cod is almost all within the Canadian zone. There is a relatively small area outside our zone, however, on the "Nose" of the Grand Banks, where Northern Cod is found. In 1985 this area was heavily fished. **Foreign vessels, in particular from Spain and West Germany, took great quantities of Northern Cod over and above their allocations.**

Will overfishing of Northern Cod become chronic as it is on the nearby Grand Banks and Flemish Cap cod stocks? These stocks, because they straddle or are just outside our 200 mile limit, are even today seriously overfished, and have no chance of recovering to the healthy fishing levels they are capable of sustaining.

Canada is faced with a renewed assault by foreign fishing on the fishery resources of our Atlantic coast. **This is an issue of national importance. Canada's ineffective and partial sovereignty over the fish resources of its Atlantic Continental Shelf is creating major problems for its fishing industry. The Government of Canada must deal immediately with this threat to our national sovereignty and bring an end to the foreign overfishing in all of our adjacent fishing grounds.**

Northern Cod Catch
Canadian Other Than Newfoundland 1976-1984



Canadian Resource Allocation: Who Gets the Fish?

> *Allocation of fishery resources will be on the basis of equity taking into account adjacency to the resource, the relative dependence of coastal communities and the various fleet sectors upon a given resource, and economic efficiency and fleet mobility.*
>
> *Canada's Fisheries Allocation Policy from the 1985 Atlantic Groundfish Management Plan.*

Access to Northern Cod, foreign fishing aside, raises many domestic issues. These are issues which lie at the heart of fisheries policy: . . . .Who is to benefit from a national public resource? . . . Can Northern Cod be used to solve the problems of the entire Atlantic fishing industry? . . . In what way can Northern Cod produce the maximum benefits to Canadian society?

Resource allocation in the seacoast fishery is, under existing constitutional rules, within federal jurisdiction. Therefore, since 1977, these questions have been addressed by the federal government's fisheries policy.

From Newfoundland's perspective, the primary objective must be to restore the inshore fishery to its former health. The next most important objective must be to establish a stable, year round offshore fishery. The greater amount of Northern Cod is in fact landed in Newfoundland. However, the fact that a signficant amount is still allocated to foreigners in the 10th year of the 200 mile limit is alarming. It is also of concern to see increasing volumes of Northern Cod landed outside Newfoundland, in other Canadian provinces.

In fact, existing Canadian fisheries policy allocates approximately 50,000 tons of Northern Cod each year to fishing interests outside of Newfoundland, and in recent years this level has been increasing. Allocations have been granted to fleets with no historic presence on the stock, at a time when the raw material needs of Newfoundland plants historically dependent on Northern Cod are far from being met.

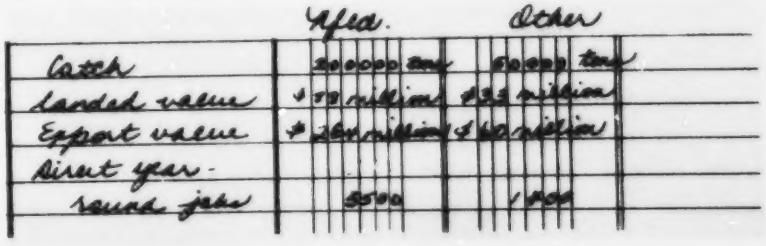
Newfoundland is proud to have brought the marine and mineral resources of its Continental Shelf into Canada in 1949. **We recognize the importance of other provinces' historic rights. Fishery resources in the Gulf of St. Lawrence, on the Scotian Shelf and all other Canadian fishing grounds are allocated on the basis of historic dependence and coastal adjacency.** This remains a fundamental principle of Canadian fisheries policy, which Newfoundland supports.

Access to and allocation of the resource should be determined for Northern Cod in the same way it is determined for other stocks. Apart from access on the basis of historic rights, fleets which are not adjacent to the resource should not gain further access to Northern Cod. Northern Cod should not be treated differently from Scotian Shelf or Gulf of St. Lawrence cod stocks. The priority of access must be reserved for the adjacent fishermen, fleets and communities.

This view may be characterized as selfish by those interests which want more access to Northern Cod. **Nonetheless, it is a view that is consistent with the way other Canadian fish stocks are managed; that is consistent with stated federal fisheries policy; that will allow Canada to exploit to best advantage the natural strength of the Northern Cod; and that will make a significant contribution to regional development.**

> *The central characteristic of the northern cod is its seasonal migratory behaviour which for generations has shaped the fishery, and indeed the society, of the east coast of Newfoundland and Labrador. Although measures to deal with seasonality are constrained by biological and environmental factors, there is a great deal of scope for policy choice through allocations and incentives to develop more economically appropriate technology.*
>
> *The problem of seasonality, and the closely related problem of plant under-utilization, are most severe on the east coast of Newfoundland. That is also where the greatest increase in fish landing will occur and therefore where the problem can be made less or more severe.*
>
> *Report of the Task Force on Atlantic Fisheries, December, 1982.*

Northern Cod–A Balance Sheet



Building on Strength: The Natural Advantage of Harvesting Northern Cod from Newfoundland

To repeat, Northern Cod is a valuable resource: one of Canada's great natural, renewable assets. It provides Newfoundland with a natural comparative advantage. **What other fishing fleets must travel thousands of miles to get, our fishing industry can harvest right on our door-step.**

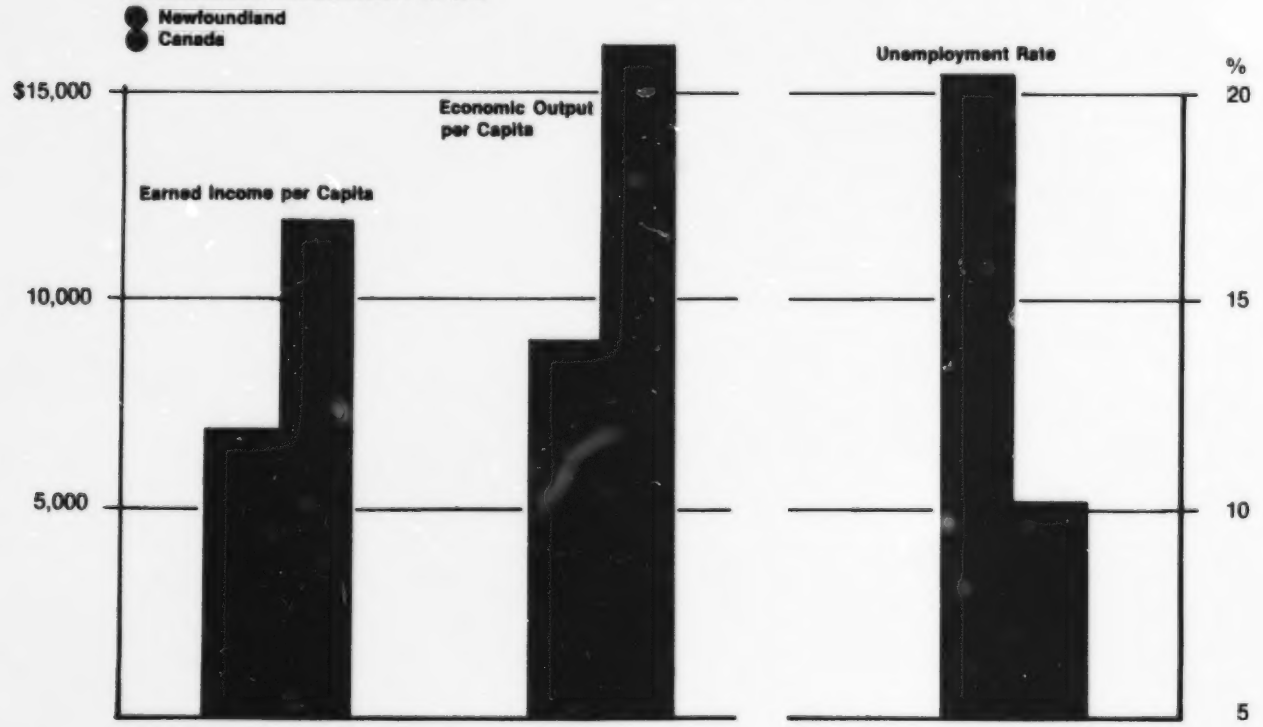
The harsh reality of economic development in Newfoundland is a limited choice of options. Natural resources must continue to provide the basis of our economy. The regional development policy of all governments in Canada now recognizes that economic development must be based on natural strengths.

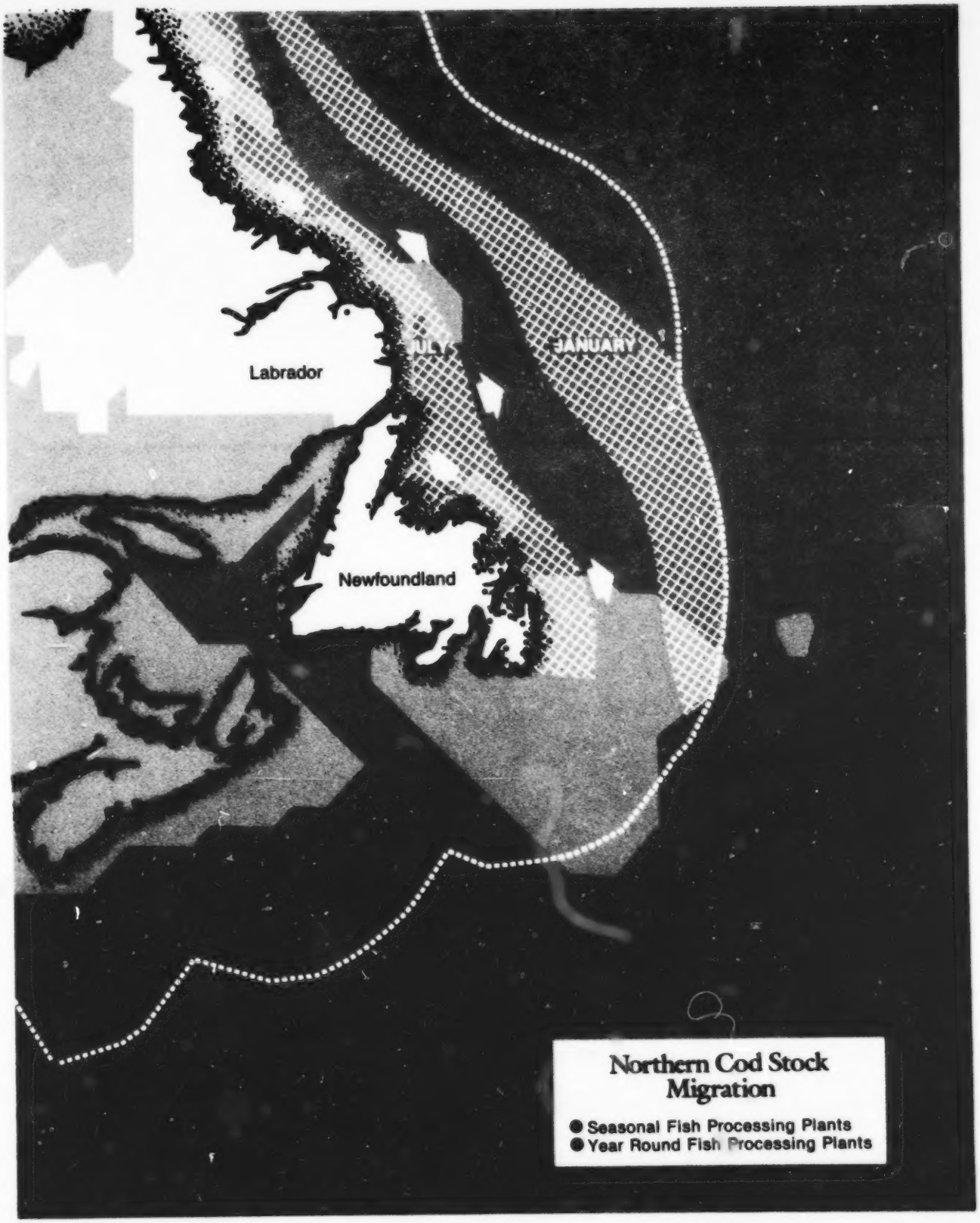
Newfoundland's goal within Canada is to become a self-reliant member of the Confederation. This will not happen if it is denied the benefit of its natural strengths. Northern Cod must be primarily harvested and processed where it will have the greatest impact on economic development.

The hard facts of Newfoundland and Labrador's relative disparity in Canada bear repeating. Our unemployment rate is the highest in the country, over 20 percent as a whole, and much higher in the communities traditionally dependent on Northern Cod. Earned income and economic output are little better than half the Canadian average. These gaps in regional and economic disparity have not narrowed significantly since Newfoundland joined Confederation in 1949.

With these facts in mind, does it make sense to allocate Northern Cod in a way which denies for Canada the natural strength of its location next-door to the resource? Does it make sense to promote jobs and profits in other provinces at the expense of fewer jobs and less economic activity in Newfoundland? Other parts of Canada may not have a single fishery as large as Northern Cod. Indeed, some other fishery resources are overexploited. Newfoundland should not have to pay the price of excess fishing in other parts of the Atlantic coast.

Economic Indicators 1984




Labrador
Newfoundland
JANUARY
Northern Cod Stock Migration
Seasonal Fish Processing Plants
Year Round Fish Processing Plants

Newfoundland fishing communities do not have a choice. They simply must have access to Northern Cod or they do not survive. The map shows the seasonal and year-round fish plants adjacent to the Northern Cod stock. Every 1,000 tons of raw material landed provides 25 to 30 year-round jobs and more than one million dollars in fish exports.

When Canada extended its fisheries jurisdiction, it acquired Northern Cod for Canadians. Canada and Newfoundland cannot afford to throw away this natural advantage by harvesting that resource inefficiently. Our strength is closeness to the resource. We lose that advantage when we replace foreign "distant water" fishing with Canadian "distant water" fishing.

From a national perspective, it is poor public policy to ignore the natural advantage, let alone regional development opportunities, of landing Northern Cod in Newfoundland.

The most efficient strategy for Northern Cod is to harvest it from Newfoundland ports, where it can be processed for national and international markets. This strategy will maximize the economic and social benefits to Canada. It will also sustain economic activity in that part of Canada which needs it most; the north and east coasts of Newfoundland and Labrador.

The overall objective of regional development is to improve employment and income through sustainable economic activity based on realistic opportunities in each region.

Principles of Regional Development, endorsed by the First Ministers' Conference, Regina, Saskatchewan, February, 1985.

To restore growth and competitiveness for Canada in the international marketplace, we must enhance and draw upon the inherent strengths of all regions in Canada.

from A New Direction for Canada: An Agenda for Economic Renewal, Hon. Michael H. Wilson, Minister of Finance, Government of Canada, November 8, 1984.

Summing Up

This document puts forward the position of the Government of Newfoundland and Labrador on Northern Cod.

Northern Cod is a distinct stock of fish, in a distinct geographic location. It is next door to only one coastline, that of the north and east coasts of Newfoundland and Labrador. For over three centuries, Newfoundland fishermen have maintained an historic dependency on this stock.

Canada declared its 200 mile limit in 1977. As a result, most of the overfishing by foreign fleets should be behind us. Foreign fishing still presents a threat to conservation, however, and deprives Canadians of jobs and income. Over the past decade, through wise conservation practices, the Northern Cod stock is recovering. When this resource was plundered by foreign nations in the 60s and 70s, reducing the Newfoundland catch to some 10 percent of historic levels, the result was a devastating blow to the economy of the Province. Therefore, as Northern Cod recovers, the Province has a great deal at stake in policy decisions as to how this resource will be allocated.

Over 50,000 tons of the yearly Northern Cod catch is landed outside Newfoundland. This amount of fish would provide the equivalent of 1400 year-round jobs, and add 60 million dollars in export sales to the Newfoundland economy, where unemployment is the highest in Canada.

Landing Northern Cod in Newfoundland exploits Canada's natural comparative advantage of closeness to the resource. Building on such natural strengths makes good economic sense. It is the most efficient strategy for using a national resource. It also makes good public policy by sustaining and promoting regional development.

Our position is thus, that priority access to Northern Cod must be given to that part of Canada adjacent to the resource: the north and east coasts of Newfoundland and Labrador, which have an historic dependence on it. This is consistent with the principles of the international Law of the Sea, whereby the primary economic benefit from the fisheries of the Continental Shelf accrues to the coastal communities adjacent to that resource.

Once these needs have been met, the resource should be allocated to the Newfoundland fleet landing at other Newfoundland ports, to allow an even supply of raw material on a year-round basis. Finally, the needs of fleets based in other provinces should be considered. However, the amount of Northern Cod now landed in other provinces is far more generous than could be claimed on the basis of historic rights.

It is often asked if Newfoundland can prosper and be a contributor to the Canadian family? The answer is a resounding yes, if we are allowed to develop our strengths, one of the most important of which is Northern Cod.